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TAGS: PGOV PREL CY

SUBJECT: PAPADOPOULOS RE-SHUFFLES HIS CABINET; LILLIKAS
REPLACES IACOVOU AS FOREIGN MINISTER

Classified By: Ambassador Ronald L. Schlicher; Reasons
1.4 (b) and (d)

¶1. (C) As expected, President Papadopoulos announced on June 8 that he was re-shuffling ministerial portfolios. George Iacovou, who has served on separate occasions for combined thirteen years as ROC Foreign Minister, is out. His replacement, George Lillikas (AKEL), will move over from Commerce and Industry. Deputy Minister to the President Christodoulos Pashiardis will pick up Lillikas's responsibilities as acting government spokesman. For now, our contacts at the MFA expect Lillikas will make few if any personnel changes when he comes on board. Iacovou's ExecSec told us that he was planning to serve the new Minister in the same capacity, albeit, he observed resignedly, with double the workload.

¶2. (SBU) Overall, six ministers were dropped from the cabinet. In addition to Iacovou, Justice Minister Theodorou, Defense Minister Mavronicolas, Labor Minister Taliadorou, Agriculture Minister Efthymiou, and Health Minister Gavrielides will begin drawing their government pensions. The new Ministers -- who will be sworn in on Tuesday, June 13 -- are:

Defense: Phivos Klokkaris (no formal party affiliation)
Justice and Public Order: Sofoclis Sofocleous (EDEK)
Commerce and Industry: Antonis Michaelides (DIKO)
Labor and Social Insurance: Antonis Vassiliou (EDEK)
Health: Haris Charalambous (AKEL)
Agriculture: Photis Photiou (DIKO)

¶3. (C) Interior Minister Christou, Finance Minister Sarris, Education Minister Georghiades, and Minister of Communications and Works Thrassou all retained their positions. The overall balance among the coalition "partners" in government shifted only slightly, with DIKO picking up an extra position. AKEL has four ministers in the new government, DIKO has three, and EDEK two. EDEK is undoubtedly disappointed with losing the Defense Ministry, but the chattering classes in Nicosia have been gossiping for the last several days about how AKEL leader Christofias had been insisting on Mavronicolas's removal. AKEL's victory may well sour relations with EDEK, but it was a price Christofias was quite willing to pay.

¶4. (C) Comment: The outcome of the widely-anticipated re-shuffle is largely in line with expectations. From our perspective, the most significant changes are at the MFA and the Justice Ministry. Iacovou did not enjoy much clout in the Papadopoulos administration, but he was a reasonable

interlocutor with an instinctively internationalist orientation. Lillikas is much less experienced in the foreign policy arena, and much closer to Tassos Papadopoulos.

This will give the MFA the opportunity to re-establish itself as a serious player in Cyprus-issue policy making and reclaim some of the ground it lost to the President's Diplomatic Office under the leadership of Tasos Tzionis. This new influence, however, will likely come at the cost of moderation, especially since an old minister with no further political ambitions has been replaced by a notably "hungry" young politician who from his experience as a government spokesman knows how to dish out the demagoguery on the Cyprus issue.

¶5. (C) The change at Justice will probably prove a positive one. Theodorou was a loose cannon with little influence and less credibility. Sofocleous, the sitting mayor of Lefkara, is a long-time contact of ours and a constructive interlocutor. We will need to reaffirm early-on with Sofocleous the understanding we had reached with Theodorou on the modalities of MOJ/police cooperation in preparing the annual Human Rights and Trafficking reports.

SCHLICHER